

## HIE Workgroup Meeting Summary

<b>Workgroup:</b>	AR HIE Finance Workgroup
<b>Meeting Date:</b>	Friday, February 26, 2010 from 8:30-10:45am
<b>Location:</b>	ACHI, 1401 West Capitol, Suite 300 Victory Building, Little Rock, AR 72201

<b>Agenda Items:</b>
Welcome/Introductions, Rate Selection, Disclosure Form & Ethical Standards, Financial Principles for HIE, Governance Model, Finance Model Analysis, Player & Payers - Implications for HIE Financing, Future Meetings
In Attendance: Jake Bleed, Herschel Cleveland, Billie Jean Davenport, Joan Diehl, Kyleen Hawkins, Jason Lee, Byran Meldrum, Ray Scott, Hannah Vogler
<b>Discussion Highlights:</b>
<b>Financial Principles for HIE</b>
Florida:
- Jason - we need to be clear so that people reading it are clear
- Jason - #2 doesn't leave much room to share costs, it's so definitive
- Ray - #2 maybe put a word in, like "cannot be borne solely by health care providers."
- Joan - pay attention to disincentives to participate
- Kyleen - need to think about behavioral accounting, how charging affects behavior; a per claim charge could be a disincentive, a fixed price might make people think if they are paying for it they might as well use it
- Joan - non-participants vs. participants - non-participants will still benefit, talk about citizen funding
- Hannah - hearing people say "every citizen should participate in the cost in some way because every citizen will benefit somehow"
- Kyleen - that might not be equal
- Herschel - kind of opposite of what I thought, if this can't pay for itself through operations, do we need it? What is the government's philosophy? If Medicare and Medicaid pay their parts, the rest should come.
- Kyleen - what is Medicaid's part?
- Herschel - a % of the whole; this is a government initiative that says we should do this, so will just pay a share of what we pay
- Jake - cost will get passed along at one point or another
- Jason - who is at the end of the chain, consumer or health care consumer? Consumer without regard to consumption, or health care consumer based on rate of consumption?
- Kyleen - aligning insurers/payers could be a third option, maybe better
- Ray - think of it evolving, benefits in years 1-2 may be different than benefits in years 4-5 and later; we need to think of all of the phases because finance method might need to change over time; all other states have had to cobble together funding, there is no silver bullet
Maryland:
- Jason - #5 could work over time; disproportionate could be defined differently depending on phase
- Bryan - #4, grant-funding needs to be a part of our process (not the whole thing), aligning time & pay

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- Ray - such volatility in grants
- Bryan - yes, and also in bond funding
- Billie Jean - #3 is not true for Arkansas
- Ray - will that change as money comes?
- Billie Jean - will probably see a spike, but doctors are skeptical, some would rather take a disincentive than use HER
- Kyleen - and we still need the infrastructure
- Ray - and need to keep working with the partners - REC, broadband, etc.
- Hannah - I hear "we need to focus efforts on places with both access and use"
- Kyleen - or those who already have the access but aren't using it
- Jason - Do practice management systems already have it in place? Or is that another level of work we need to do? We come with the notion that doc's systems have the ability to do this.
- Bryan/Kyleen/Billie Jean - there is some ability out there, but it's narrow; and it's not just ability, it's also security
- Billie Jean - yes, they have ability to push info, but can't actually do that task
- Ray - it's all over the map - for example JRMC (Jefferson Regional Medical Center) is great, but can they send to other systems? Generally no. That's why interoperability is the key to this
- Joan - would guess the level of data is very different for each doctor/system
- Ray - but what information is different
- Billie Jean - need commonality in the language
- Kyleen - we spent two years working with Blue Cross and Blue Shield just to be able to do claims
- Ray - aren't translating products, but we are building network of networks, starting by using what we already have - pipelines, systems, servers that are underutilized
- Jake - the trauma care system has some ability
- Kyleen - and UAMS
- Ray/Jason - each of those are silos, and we are into silo-busting
- Joan - one principle should include "leveraging existing money, resources, assets"
Pennsylvania:
- Bryan - Pennsylvania is the best, not too high to be useless or too low to be confining
- Kyleen - (next to last) definitely include one about making the business case
- Hannah - hearing these are all pretty good, will use
Suggestions from Finance WG:
- Bryan - #1, not all benefits are financial, there is a quality benefit not necessarily quantifiable, can't say what that share is; also include "foundational/infrastructure costs don't come out into user fee"

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- Jason - idea could be, don't levy \$10 tax on every citizen to pay for this because the average person is not who benefits most; the starting point doesn't have to be taxpayers

- Kyleen - what about allowable costs? "reimbursable" means something different to everyone

- Jason - maybe that means the cost of the HIE

- Jake - like trauma system, it's good to have a basic level

- Bryan - remember tax money comes from taxpayers, not all citizens; this seems to come from all citizens

- Kyleen - it's like income tax vs. sales tax

### Governance Model

- Ray - not a new understanding of where Governance is; given the money we have, need to be careful - start small, grow and evolve; we don't want to put anything in stone, but leave it open for changes; what it looks like day 1 and what it needs to look like later is hard to predict; Herschel will update us further because he has been in the Governance meetings.

- Herschel - transition Governance model is going to the Executive Committee. It will have to go through by Executive Order and will work on another model; there is widespread agreement that the model may change, especially based on financing; there is lots of ongoing discussion about board, who is in charge, and the Workgroup is looking for expertise and recommendations

- Jason - Governance doesn't preclude any kind of technical infrastructure, right?

- Herschel - the model is designed to include a policy-making group of some kind - a board, commission, something - and will have to contract out or something, but

### Finance Model Analysis

Delaware:

- do they upload and send it all? Is it law?

- Jake - the business model drives functionality

- Joan - helps docs who didn't order the tests

- Jake - how does LabCorps feel about paying for it?

- Bryan - hospitals may be running tests too, so there are lots of winners and losers

- Jason - no apparent disincentive by companies

- Joan - what's the liability if you don't use it? How do docs see/view patients having access to it? Do they have less use of doctors and loss of revenue because patients get an explanation

- Hannah - doctors report increase in use and in time spent with patients when this kind of thing happens, because patients see the information and have lots of questions, or they go to the internet and find things to ask about that the doc may or may not think they need to worry about

- Ray - patient access, especially for chronic disease, can work with docs when they have more information

- Joan - do patients have access?

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- Hannah - yes, they added a patient access component in 2009
Information Network of Arkansas:
- Ray - can't necessarily pick this up and put it on HIE, but they are doing good things and are pretty successful; it's a fairly unique, entrepreneurial model; could a variation or part of this work for Arkansas?
- Kyleen - what are the transactions?
- Ray - collection of professional fees, car tag fees, etc.; the network earns a fee for transmitting that transaction, with subscription fees for unlimited access; the key is that it's not government run and not totally private, it's a partnership; have a meeting with them to look deeper
- Herschel - '95 legislated transparency, then '99-'01 took out the reporting requirements; INA board does structuring; the model is worth a lot of scrutiny, but would want to retain ownership assets and intellectual property as much as possible
- Ray - other vendors will also come in and offer to manage; not necessarily advocating for HIE to be business enterprise, but need to keep it on the table
- Herschel - fund created to fund INA board, need to look at fee they pay board relative to what they pay other boards; could be a potential funding stream
Connect AR:
- Ray - given legislatively-mandated responsibility to oversee development of broadband across the state; to get access and educate public about the value of broadband; they are an HIT partner, got funding for broadband mapping; they are working on sustainability, the federal grants aren't going that well, have gotten some but gotten turned down on some; their job is to see what's there, then we will be able to use that information to use what resources we have in the best way possible
- Bryan - Didn't Connect make an effort to do a demonstration project where they built a system and eventually gave it to a community? I thought it dwindled away because people didn't see the value. We can help find good/proper use for the abilities that are there, so there is value perceived when they need to pay
- Ray - somewhat familiar with it, Connect built it and "they didn't come"
Financing Ideas for Arkansas:
- Hannah - need to identify where cost savings are/will be
- Kyleen - and attempt to quantify costs like lost wages, etc.
- Ray - we are building use cases for DHS/Medicaid, Dept of Health, Connect, INA, Public Service Commission

### Assignments:

<b>Task(s)</b>	<b>Assigned Member(s)</b>	<b>Completion Date</b>	<b>Reporting Method</b>
meet with INA & Connect AR to get more information	Ray	next mtg (3/8)	next mtg (3/8)
go over Players & Payers Matrix & think of one funding option	all WG members	Thurs 3/4	send to Hannah
draft Finance Principles based on ideas and comments from meeting	Hannah	next mtg (3/8)	next mtg (3/8)